ACI SUPPORTS:

NM Healthcare Insurance Exchange (NMHIE) that meets New Mexico's Needs
- ACI recommends setting up a Healthcare Insurance Exchange to leverage Federal resources and to support NM business. The governance, responsibilities and operations of the Exchange must be set up with great care to achieve success in offering more choices and lower costs.

Medicaid Reform
- Medicaid is struggling to keep up with enrollment growth and rising healthcare costs, while facing a constrained spending environment at the state and federal level. It must improve patient outcomes, wellness, and cost efficiencies, while continuing to maximize the federal funds which are critical to New Mexico's health and to its economy.

Innovation
- The current healthcare systems are clearly and evidently unsustainable: it's not sharing information well, not engaging patients enough in their own health and treatment, too focused on short-term acute care, not focused on Physician/Patient relationships and, as a result, is too costly. We are a state of innovators and entrepreneurs. We need to leverage this strength and encourage the adoption of new ideas, or we will all go bankrupt, no matter who is paying for healthcare.
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DETAILED POSITION STATEMENTS

ACI recognizes that the Health Insurance Exchange, Medicaid Reform and continuous healthcare Innovation are critical to business development, economic growth and job creation in New Mexico.

ACI has developed detailed recommendations on each topic. Please see our three "One Pagers" attached.

For further details or discussion, please contact the Committee Chair, Gary Oppedahl at
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Association of Commerce and Industry (ACI) Recommendations for the New Mexico Health Insurance Exchange (NMHIE)

The Health Insurance Exchange (HIE) should:

1. Be a New Mexico based, quasi-public entity;

2. Operate independently of state government;

3. Have a governing board of between 11 and 15 voting members, with appointments made by the Governor, the majority and minority leaders of the Legislature, and the Superintendent of Insurance;

4. Represent all stakeholders on the board and through advisory committees; include a strong voice for employers, and a diversity of professional expertise, geographic areas, demographics, cultural backgrounds and political views; if federal regulations exclude any stakeholders from board membership, represent them as non-voting advisors on the board;

5. Broadly define board member qualifications, to allow for a deep pool of outstanding candidates. Qualifying experience should include health plan administration, health care finance, public policy expertise, health care delivery, enrollment in coverage, ownership of a small business, information technology, marketing or public relations, legal services, and other professional experience relevant to Exchange operations;

6. Assure accountability and transparency through the board appointment process, proper auditing, and reporting to the Legislature, the Executive, and the public;

7. Determine the Exchange's plan of operation; secure funding to cover administrative expenses; recruit, train and compensate brokers and navigators;

8. Implement information systems that make it easy for individual consumers to shop for health insurance, and for employers to participate on a voluntary basis.

The Health Insurance Exchange (HIE) should NOT have the authority to:

9. Require carriers to participate in the Exchange, or stop carriers from offering plans outside the Exchange;

10. Reject qualified plans properly licensed to do business in New Mexico, including stand-alone dental or vision coverage plans meeting state and federal requirements;

11. Set plan premiums, determine provider reimbursement rates, or create benefit mandates that exceed state and federal requirements;

12. Restrict the ability of the state to seek federal waivers to enable innovations in healthcare coverage, financing, payment or delivery.

ACI Medicaid Recommendations for Medicaid Reform

The Medicaid Redesign plan should:
1. Recognize the economic impact of Medicaid and its critical role in sustaining the entire state's healthcare delivery system, as Medicaid covers 26% of New Mexicans today, and is projected to cover 32% in 2014; aim to contain the rate of cost growth, rather than to reduce or freeze spending;
2. Maintain a strong network of providers, which is key to everyone's access to quality healthcare, by offering realistic reimbursement rates that take into account the rising cost of labor as well as state and federal mandates (e.g. the upcoming mandate to provide health benefits); improve access to care for underserved areas through telehealth and the full utilization of mid-level providers' potential scope of practice;
3. Research legal and regulatory obstacles to the adoption of cost-saving practices (e.g. provider liability issues, HIPAA standards, federal Medicaid requirements, state processes for developing and enforcing regulations);
4. Seek to maximize federal dollars, given state spending constraints; actively solicit appropriate grants and waivers; leverage all possible state and local government dollars.
5. Revamp Medicaid information systems to increase timeliness, accuracy, transparency and accountability; better inform policy decision-makers; and measure results.

Cost management should not rely on:
1. Broad-based cuts in provider reimbursement rates;
2. Excessive pressure on contracted managed care organizations;
3. Cutting eligibility for current beneficiaries or future PPACA low-income adult eligibles;
4. Harmful reductions in benefits, or the elimination of services which can prevent more costly health problems in the long term (e.g. dental care).

Cost management strategies should include:
1. Improving chronic disease management programs, i.e. personal health coaching and care coordination for the 20% of beneficiaries who drive 80% of medical utilization;
2. Implementing culturally appropriate wellness and prevention programs to teach the benefits of better lifestyle choices, focusing on individuals at risk of falling into the high utilization group;
3. Incentivizing best practices and quality of care metrics;
4. Tailoring benefits based on individual need (e.g. weekly hours in Personal Care Option);
5. Reducing regulatory burdens that drive up costs (e.g. clinical documentation and reporting requirements); reforming the development and enforcement of state regulations (e.g. through an Administrative Procedures Act);
6. Developing reimbursement policies that encourage the use of the most cost-effective providers and treatment modalities;
7. Increasing personal responsibility by:
   - Educating beneficiaries about the cost of their medical treatment;
   - Rewarding improved lifestyle choices;
   - Promoting the appropriate use of healthcare services, i.e. seeking treatment when needed, selecting appropriate providers, and keeping scheduled appointments;
   - Designing a better collection mechanism for copays (often written off by providers);
8. Making more wide-spread and coordinated use of information technology, including personal health records, e-prescribing, clinical decision support systems, public health systems, and telehealth; reducing administrative costs;
9. Rooting out criminal fraud and abuse with effective rules and enforcement;
Training, recruiting and retaining the healthcare workforce to reduce cost and quality issues due to overtime and temporary staffing, and to facilitate access to primary care.

ACI Recommendations to Encourage Innovation

1. The NM Healthcare Insurance Exchange (NMHIE) should be required to allow appropriate waivers for innovative healthcare systems development
2. Encourage Pilot Programs, Public/Private Partnerships and new ideas in certain areas or practices within which new directions in health care delivery and payment – designed to coordinate and improve care and deploy resources more efficiently and effectively -- would be tried and tested.
3. Research other states' activities, look for successes, and adapt them in NM
4. Telehealth will play an increasing role in healthcare, especially given our rural population. We must support telehealth by
   a. ensuring adequate bandwidth infrastructure
   b. appropriately reduce the risk/liability of remote healthcare
   c. appropriately modifying HIPAA and other regulations to enable telehealth
   d. Encourage the use of telehealth in Medicaid, Medicare and Private Insurance
5. Reduce the regulatory burden on providers, businesses and agencies to increase the resourcing of innovation
6. Re-level healthcare activities to appropriate personnel, considering safety and positive patient outcomes
7. Establish and utilize one to one relationships where patients and medical personnel get to know each other and establish credibility, accountability, education and effective wellness care.